

Message Text

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PAGE 01 TEHRAN 09902 091459Z

60

ACTION NEA-10

INFO OCT-01 EA-07 ISO-00 EB-07 COME-00 CIAE-00 DODE-00

INR-07 NSAE-00 PA-01 USIA-06 PRS-01 SP-02 AID-05

FRB-03 TRSE-00 XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01

OMB-01 /062 W

----- 048111

R 091240Z OCT 75

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 3819

INFO AMEMBASSY ABU DHABI

AMEMBASSY A BAGHDAD

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY TOKYO

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E.O. 11652: NA

TAGS: ENRG, IR

SUBJ: IRAN-JAPAN PETROCHEMICAL PROBLEMS?

1. OCTOBER 6 KAYHAN INTERNATIONAL CARRIED UPI ITEM FROM TOKYO REPORTING THAT "SIGNING" OF HUGE IRAN JAPAN PETROCHEMICAL CO. (IJPC--JOINT VENTURE BETWEEN MITUSI AND THE NATIONAL PETROCHEMICAL CO.) AGREEMENT"IS BEING DELAYED BY GOI REFUSAL TO GUARANTEE JAPANESE LOANS FOR THE "\$1.833 BILLION PROJECT BECAUSE OF THE UNFAVORABLE FOREIGN EXCHANGE SITUATION CAUSED BY WORLD-WIDE INFLATION." OCTOBER 8 KAYHAN CARRIED SHORT FRONT PAGE ITEM ENTITLED "IRAN WARNS JAPAN MUST LIVE UP TO NPC DEAL CONDITIONS". THIS ARTICLE QUOTES "NPC SPOKESMAN" TO EFFECT THAT "DELAY IN FINANCING JOINT PETROCHEMICAL PROJECT BETWEEN NPC AND THE CONSORTIUM FORMED BY MITSUI OF JAPAN IS DUE TO THE FAILURE ON THE PART OF THE JAPANESE SIDE TO LIVE UP TO ITS OBLIGATIONS". JAPANESE SOURCE REPORTEDLY SAID, HAD PROMISED TO SUPPLY \$1 BILLION IN FINANCING,

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PAGE 02 TEHRAN 09902 091459Z

BUT NOW ARE INSISTING ON GOI GUARANTEE TO HELP THEM RAISE THEIR

PART OF FINANCING.

2. LARGE NPC/IJPC DELEGATION IS NOW IN TOKYO NEGOTIATING FINE
PRINT IN FINANCING ARRANGEMENTS. LOCAL CONTACTS IN IJPC AND
JAPANESE EMBASSY SUGGEST NPC IS DOING A BIT OF NEGOTIATING IN
NEWSPAPERS AND THAT ARTICLES ARE MUCH EXAGGERATED AND DISTORTED.
WE HAVE BEEN UNABLE TO GET ANYTHING AUTHORITATIVE FROM NPC, DUE
ABSENCE OF MOST TOP EXECUTIVES. THIS PROJECT IS SO FAR ALONG,
HOWEVER, THAT WE DOUBT IT IS IN SERIOUS TROUBLE.
HELM

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Current Classification: UNCLASSIFIED
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Copy: SINGLE
Draft Date: 09 OCT 1975
Decaption Date: 01 JAN 1960
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Disposition Approved on Date:
Disposition Authority: izenbei0
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Margaret P. Grafeld
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06 JUL 2006

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